



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

**Center for Medicaid and State Operations
Family and Children's Health Programs Group
7500 Security Boulevard
Baltimore, MD 21244-1850**

AUG 25 2000

Mr. Karl B. Kurtz
Director
Department of Health and Welfare
450 W State Street, 10th Floor
P.O. Box 83720
Boise, Idaho 83720-0036

Dear Mr. Kurtz:

Thank you for your response, dated July 21, 2000, regarding the amendment to your State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the efforts that Idaho has made to provide health care coverage to uninsured children. As you are aware, your proposal has been undergoing review by the Department of Health and Human Services. In order to proceed with our review, however, the following additional information is required.

Pursuant to section 2107(e)(1)(C) of the Act, a State is required to comply with Section 1903(w) of the Act, relating to limitations on provider taxes and donations. Specifically, our questions regarding this provision are:

- 1) Section 2.2.2. It is our understanding that the State will receive a contribution from the Mountain States Group to use as part of the non-Federal share of SCHIP outreach activities. It appears that the contribution from the Mountain States Group is intended to fund outreach services performed by Terry Reilly Clinics in Canyon County and Kootenai Regional Medical Center. If so, does the State have a contract with Terry Reilly Clinics and Kootenai Regional Medical Center to perform such services? If the Terry Reilly Clinics and Kootenai Regional Medical Center are not the providers of such services, please explain in detail the contractual arrangement the State does have to provide the outreach activities related to the contribution from Mountain States Group and for which the State wishes to claim Federal financial participation.
- 2) Section 5.1. Your response indicated that for every VISTA member for whom the State provides funding, Americorps will provide a match for an additional member. Additionally, your response indicates that TANF funds are being utilized

for the State portion of the VISTA living allowance. Please explain what you mean by TANF funds. Are the TANF funds referenced in the response State funds, Federal funds, or both? Does the State intend to claim Federal financial participation for the outreach services provided by the VISTA member(s) who were donated by Americorps? As written, it appears that you may be proposing to use Federal dollars to obtain additional Federal financial participation under title XXI. Please explain.

- 3) Section 9.10. Your response indicated that all of the non-Federal share of title XXI expenditures will come from State general funds. However, it appears under section 2.2.2 of the plan, that the State will be using a contribution for the Mountain States Group as the non-Federal share of certain SCHIP outreach activities. If this is the case, please revise this response accordingly.
- 4) Section 9.10. Please provide a breakout of the administrative costs in your budget.

Under Section 2106(c) of the Social Security, HCFA must approve, disapprove, or request additional information on a proposed Title XXI State Plan within ninety days. This letter constitutes our notification that specified additional information is needed in order to fully assess your plan. The 90-day review period has been stopped by this request and will resume as soon as a substantive response to all of the enclosed questions is received. The members of the review team would be happy to answer any questions you may have in regard to this letter and to assist your staff in formulating a response.

Please send your response, either on disk or electronically, as well as in hard copy to Angela Corbin, Project Officer for Idaho's Title XXI proposal, with a copy to Mr. Bob Reed, Chief Medicaid Branch for the Division of Medicaid and State Operations, HCFA Region X. Ms. Corbin's Internet address is acorbin@hcfa.gov. Her mailing address is:

Center for Medicaid and State Operations
Health Care Financing Administration
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, Maryland 21244-1850

We appreciate the efforts of your staff and share your goal of providing health care to low income, uninsured children through Title XXI. If you have questions concerns regarding the

matters raised in this letter, your staff may contact either Ms. Corbin at (410) 786-0620 or Mr. Reed at (206) 615-2330. They will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,

Cindy Mann
Director

cc: Seattle Regional Office